

SmallCapMedia's Gold Stock Picks For 2003

AMI Resources' Story Continues To Shine In West Africa's Gold-Rich "Elephant Country"



AMI Resources Inc. (TSX.V-AMU) is one of a new breed of intrepid junior mining companies that are capitalizing on much of Africa's recent shift towards Western-style free-market economies.

In recent years, the failure of the doctrines of protectionism and socialism that were adopted by so many African nations in the Soviet era has given way to a more pragmatic way of thinking. And since the early 90s, many countries have followed Ghana's lead by implementing credible "mining friendly" legislation to encourage foreign mining companies -- large and small -- to tap into their vast mineral riches. That way everyone benefits. And AMI Resources hopes to soon follow in the footsteps of several other successful Canadian juniors such as Sutton Resources and Nevsun Resources, both of which have recently made world-class discoveries in Africa.

And history is on AMI's side. It is developing a highly prospective gold find in the West African nation of Ghana, which has a long and illustrious history of gold production, second only to South Africa. Its rich gold history even gave rise to its former colonial name -- the Gold Coast. And with its stable political climate, Ghana makes an excellent hunting ground for rich gold deposits, particularly along the prolific Ashanti Trend gold belt. This is where AMI holds three strategically located, wholly owned exploration concessions, collectively known as the Adumasa Project. They cover an area of approximately 37 square kilometers (14 square miles).

It is worth noting that this is the same mining camp where NYSE-listed Ashanti Goldfields operates the 41-million-ounce Obuasi Mine. This world-renowned mine has produced over 27 million ounces of gold during the last 100 years and is still going strong. AMI's own gold find is located 50 kilometres (31 miles) to the northwest of the Obuasi Mine. Also, Newmont Mining recently announced that its Akim Deposit (3.2 million ounces) -- which is located approximately 25 kilometres (15 miles) to the southeast of AMI -- will soon be put into production.

Indeed, the availability of large geologically prospective areas where major finds are far from rare (figuratively known as "elephant country") makes the prospect of further world-class discoveries all the more compelling. This is one of the key advantages to exploring in Africa. Its vast mineral reserves still remain largely untapped - unlike North America. In fact, many investment industry leaders are looking to Africa and more specifically Ghana as the next major mining frontier for company-building

discoveries. They include Michael Oliver, a mining analyst at Canada's CIBC World Markets (the investment division of one of North America's largest banks), who sees Ghana as only second to South Africa in terms of its geological potential and its investment climate.

This endorsement is underscored by the presence of a "mining friendly" government in Ghana for well over a decade - one that is steadily revitalizing the nation's centuries old tradition of exporting gold to the West. Easily accessible gold was so plentiful at one time that during the 16th century Ghana accounted for more than a third of the world's gold production. And this was during an era when gold miners were literally just scratching the surface. The advent of sophisticated exploration techniques makes Ghana all the more attractive to modern day miners. Moreover, Ghana has also earned a reputation for being a politically stable nation with a democratic, multi-party parliamentary government that is modeled on the British system. (Ghana was a British colony until 1957).

It is also important to note that even today Ghana now ranks second only to South Africa in gold production in Africa - though its new mining boom is still in its infancy and has tremendous untapped potential. For instance, Ashanti Goldfields is producing in excess of 640,000 ounces of gold annually from its 41-multi-million-ounce Obuasi Mine -- a figure that is soon expected to increase as Ashanti is finding that the gold grades continue to improve at depth. This prolific mine sits on the Ashanti Shear System or Trend, which extends for over 250 kilometres (155 miles) and hosts a number of other smaller gold mines. Significantly, AMI's nearby Adumasa Project shares many of the same geological characteristics as the Obuasi Mine and other nearby deposits.

The Adumasa Project lies in the south-central part of Ghana, approximately 200 kilometres (124 miles) northwest of the port city of Accra in an area with amenable infrastructure. AMI has spent in excess of Can. \$2 million (U.S. \$1.3 million) to date on exploring and developing the Adumasa Project, which encompasses all three "contiguous" (adjoining) exploration properties. This area was initially selected for special attention following a 1996 program of airborne and ground geophysics. The revelation of key anomalous geological targets was followed up in 1997 with a program of geochemistry that corroborated the earlier findings. Several zones were found to contain high in-soil gold showings.

One such area has become the focus of extensive trenching and channel sampling, as well as much of the 4,800 metres (15,700 feet) of reverse circulation and diamond drilling that AMI has conducted within the project area during the past five years. AMI has now outlined a mineralized structure with a strike length of at least 1,250 metres (4,100 feet). A number of mineralized intervals along this strike length have revealed several potentially economic intersections. There also exists similar potential for other areas of known mineralization along strike and beyond. Highlights from drilling during 1997 to 2002 include one hole that intersected 122 metres (400

feet) of mineralization averaging 1.65 g/tonne (0.05 oz/ton) gold, including a section which averaged 2.76 g/tonne (0.09 oz/ton) gold over 49.1 metres (161 feet). Individual sample values within this intercept ran as high as 9.23 g/tonne (0.3 oz/ton) gold over one metre (3.3 feet) and 7.45 g/tonne (0.24 oz/ton) gold over 1.5 metres (5 feet).

Most recently, a winter 2002/2003 program of reverse circulation infill and outstep drilling encountered some impressive drill intercepts that reinforced the economic potential of this mineralized structure. Significantly, it also remains "open" (continuous) at depth and along strike in all directions. A total of seven drill holes over 623 metres (2,043 feet) returned results that offer excellent potential for a multi-million-ounce resource, according to AMI's management. Among the best of these drill results are one hole that encountered intersections of 6 metres (20 feet) of 5.75 g/tonne (0.19 oz/ton) gold and 8 metres (26 feet) of 3.23 g/tonne (0.10 oz/ton) gold. These also include 3 metres (10 feet) of 5.18 g/tonne (0.17 oz/ton) gold, 10 metres (33 feet) of 1.89 g/tonne (0.06 oz/ton) gold and 5 metres (16 feet) of 2.37 g/tonne (0.08 oz/ton) gold. Another very encouraging hole returned values of 31 metres (102 feet) of 2.95 g/tonne (0.09 oz/ton) gold, including 20 metres (66 feet) of 3.55 g/tonne (0.11 oz/ton) gold, 7 metres (23 feet) of 6.64 g/tonne (0.21 oz/ton) gold and 5 metres (16 feet) of 3.05 g/tonne (0.10 oz/ton) gold.

At present, all of this exploration data is being compiled to establish an ore deposit model for the mineral resource that has thus far been outlined. A program of surveying is being commissioned to assist in this ore modeling with a view to proving up an initial resource base of at least 500,000 ounces of gold.

Furthermore, an ambitious exploration and development program continues to test the mineralized formation's potential to extend for a further 2,500 metres (8,200 feet) along strike. If this is the case, as is suggested by the presence of strong geophysical anomalies along the axis of the strike length, then AMI's management believe that a multi-million ounce gold deposit may yet be within the company's grasp. Additionally, the spring drill program may also investigate other geophysical targets that suggest the presence of a parallel mineralized structure in close proximity to the existing discovery.

The company's prospects for success are further bolstered by a strong management team. It includes President and CEO Dustin Elford, who has 25 years of experience in the management and financing of junior resource companies. He is also President of Dejour Enterprises Ltd. (TSX.V-DJR) and Midasco Capital Corp. (TSX.V-MGC). Over the years, Mr. Elford has earned an enviable track record for the acquisition and development of projects in Ghana, Colombia, El Salvador, Mexico, Canada and the United States. His managerial skills are complimented by William Pettigrew, AMI's Chief Financial Officer and Corporate Secretary. During the last two decades, Mr. Pettigrew has been involved in the organization, funding and administration of public companies both on Canada's TSX stock exchange and on NASDAQ. An

adept financier, he has also been involved with the acquisition and funding of mineral projects in Canada, United States, Venezuela and Ghana.

On the exploration front, AMI benefits from the invaluable expertise of Terry Heard, P. Eng. A geologist for nearly half a century and a mining engineer for three decades, Mr. Heard has worked extensively all over the world, including Ghana where he has consulted on AMI's Adumasa Project since 2000. He is joined by another accomplished geologist, Simon Meadows Smith. He was instrumental in the discovery of the Homase gold deposit (current gold resource of 500,000 ounces) which is located only 35 kilometres (22 miles) to the south of the Adumasa Project and was purchased from Dominion Mining by Ashanti.

On a technical note, Ami has a relatively tight share structure with about 11 million shares outstanding (12.5 million fully diluted), of which insiders own a good percentage -- a good sign that management is strongly incentivized to perform. Additionally, the company has a strong, upwardly trending stock chart that reflects recent positive developments on the exploration front. These dynamics, matched with the prospect of compelling drill results in the coming months, should provide AMI's share price with considerable upside in 2003. Moreover, this extensive spring drill program will likely expedite the company's near-term goal of outlining a minimum gold resource base of at least 500,000 ounces.

Beyond this milestone, there still remains considerable "blue sky" potential for AMI. Once again, the company's Adumasa Project is situated in one of the world's most prolific gold belts and only a relatively short distance from the world-renowned Obuasi Gold Mine. And the discovery of AMI's own multi-million ounce resource is not beyond reason. For instance, management is encouraged by the prospect of significantly increasing the strike length of the known mineralization. Also, there are favorable odds for the discovery of a parallel mineralized formation. Accordingly, SmallCapMedia believes that AMI Resources clearly has "home run" potential for investors who are patient enough to watch these developments unfold during the balance of 2003.